

U.S. Treasury Borrowing



Borrowing modestly larger than expected

	October - December 2002 (Projected) (Actuals)		January - March 2003 (Projected)
<u>Net Marketable Issuance*</u>	76	83	110
Bills		21	
Nominal Notes		55	
IIS		7	
<u>Financing</u>	76	83	110
Deficit Funding **	109	118	116
Net Non-Marketable Financing	17	8	-3
Change in Cash Balance	16	28	8
<u>Notes:</u>			
Starting Cash Balance	61	61	33
Ending Cash Balance	45	33	25

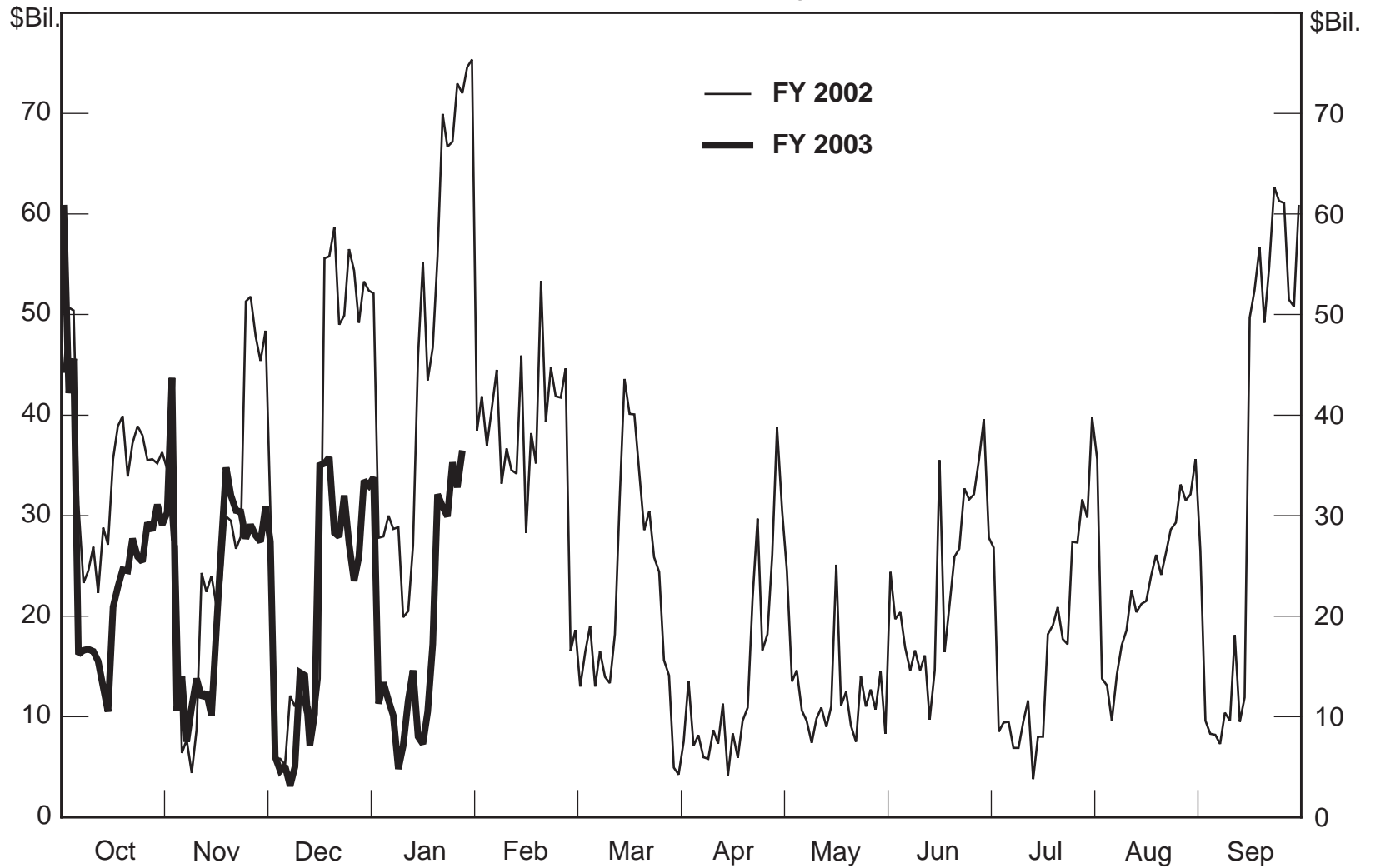
Treasury Financing Requirements \$ Billions

* If unchanged, current coupon issuance pattern would raise \$208 billion in FY03.

** Includes budget results, direct loan activity, changes in accrued interest and checks outstanding and minor miscellaneous transactions.

Note: Totals may not add due to rounding

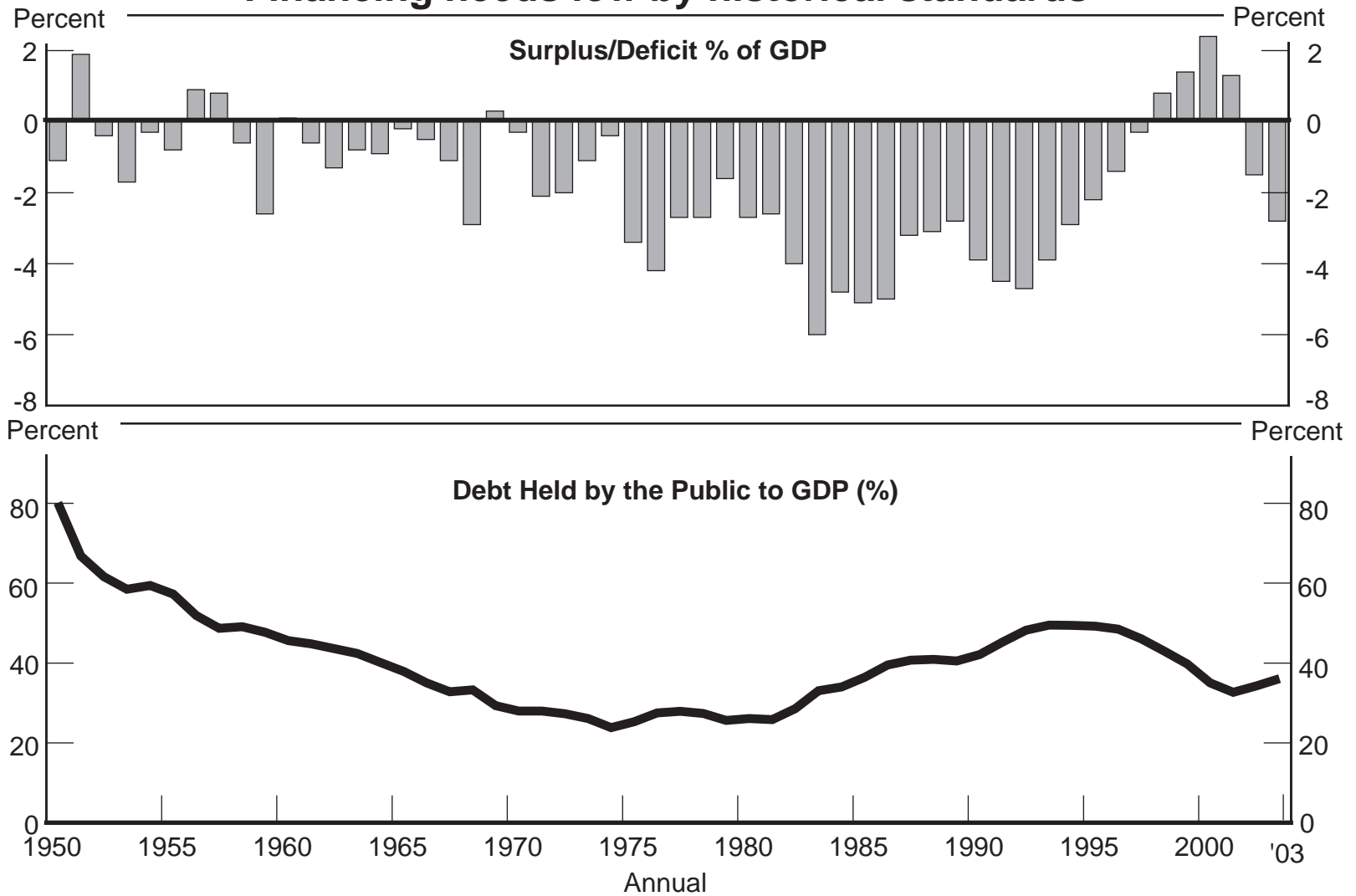
Cash balance volatility declines



Treasury Daily Operating Cash Balance

Source: Daily Treasury Statement, data through January 29.

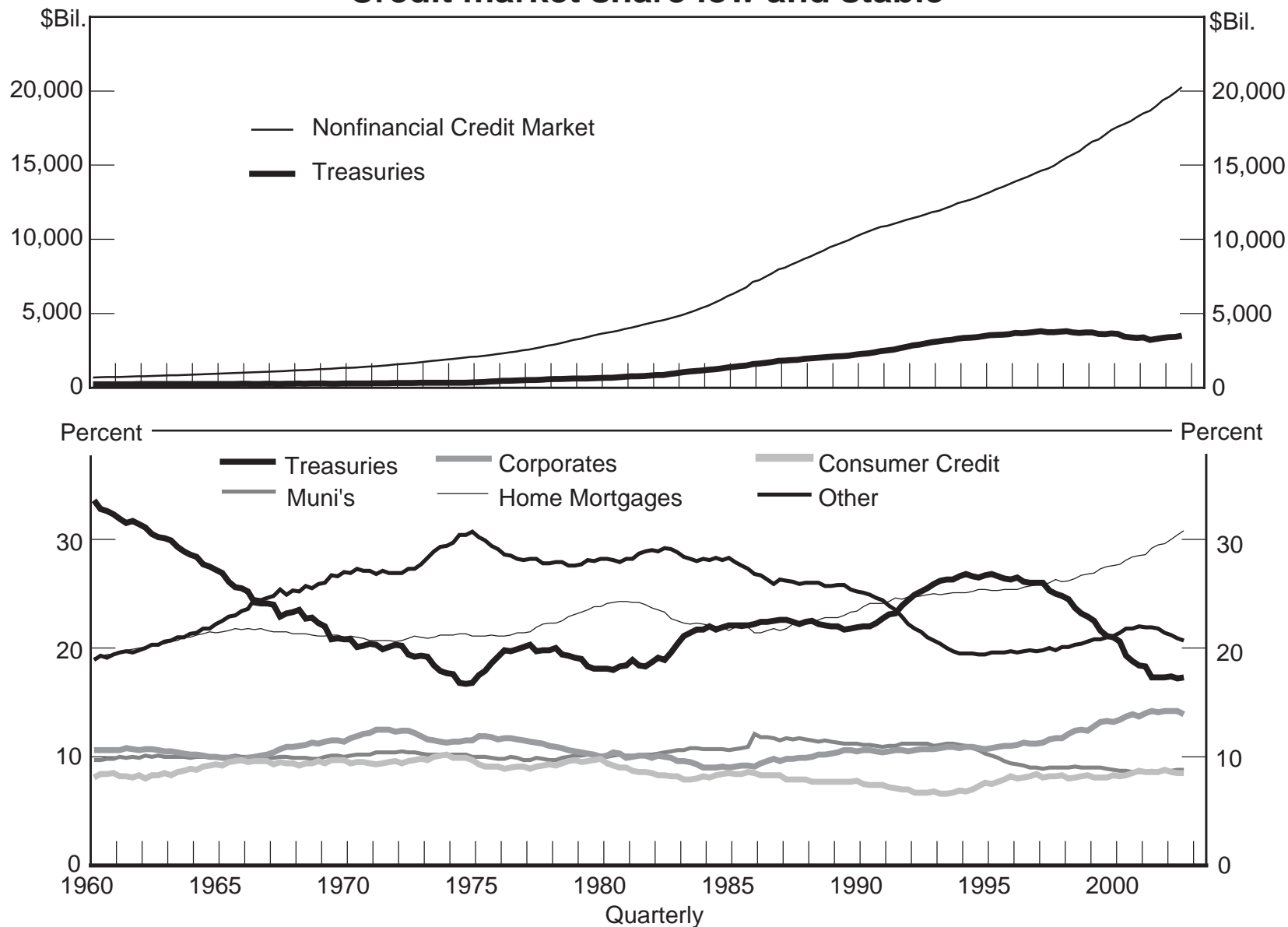
Financing needs low by historical standards



Surplus/Deficit and Debt to GDP

Source: U.S. Government Budget for FY 2004 Budget Historical Tables 1.2 & 7.1.

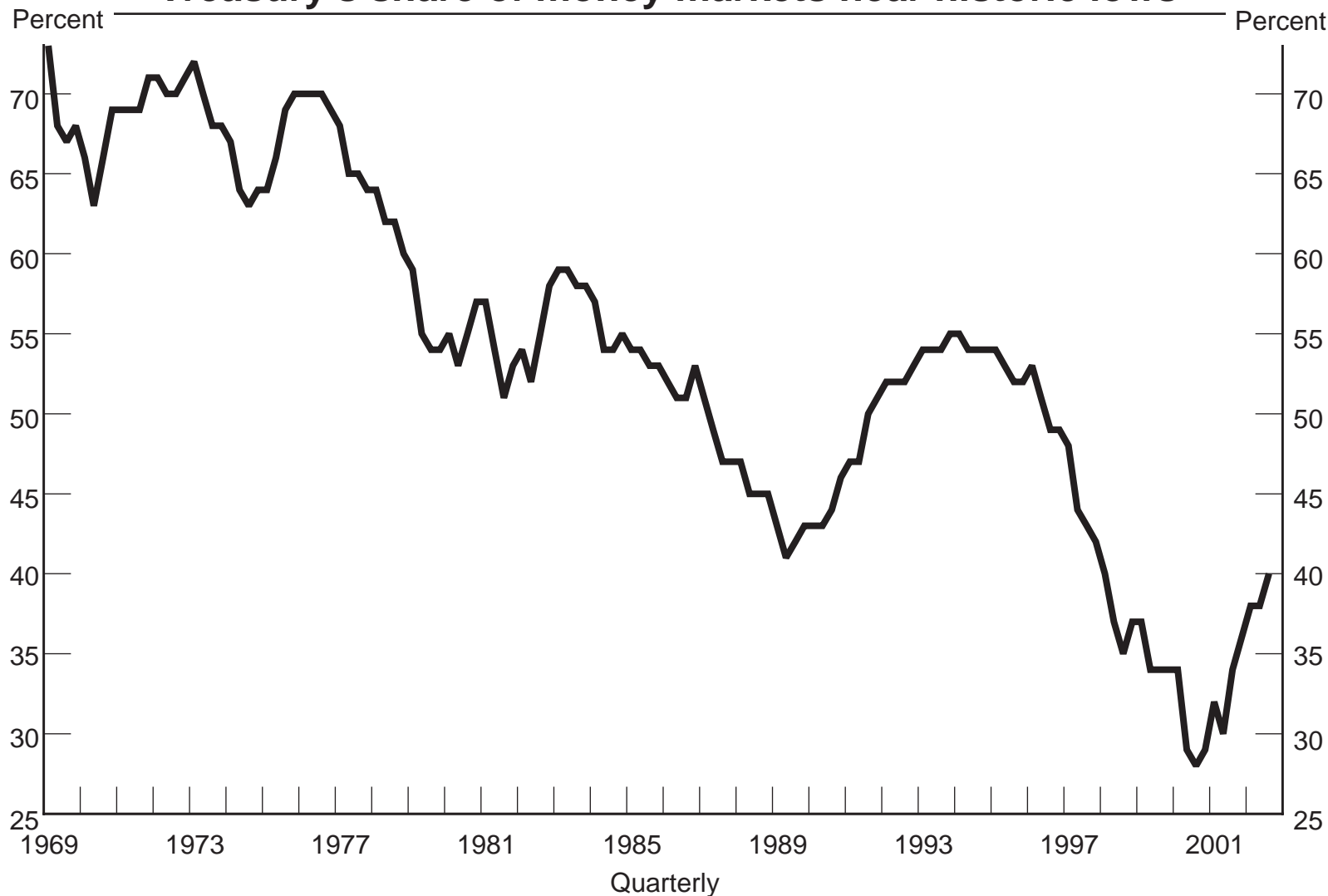
Credit market share low and stable



Domestic Nonfinancial Credit Market and Treasury Debt

Source: U.S. Federal Reserve Board of Governors Flow of Funds.

Treasury's share of money markets near historic lows

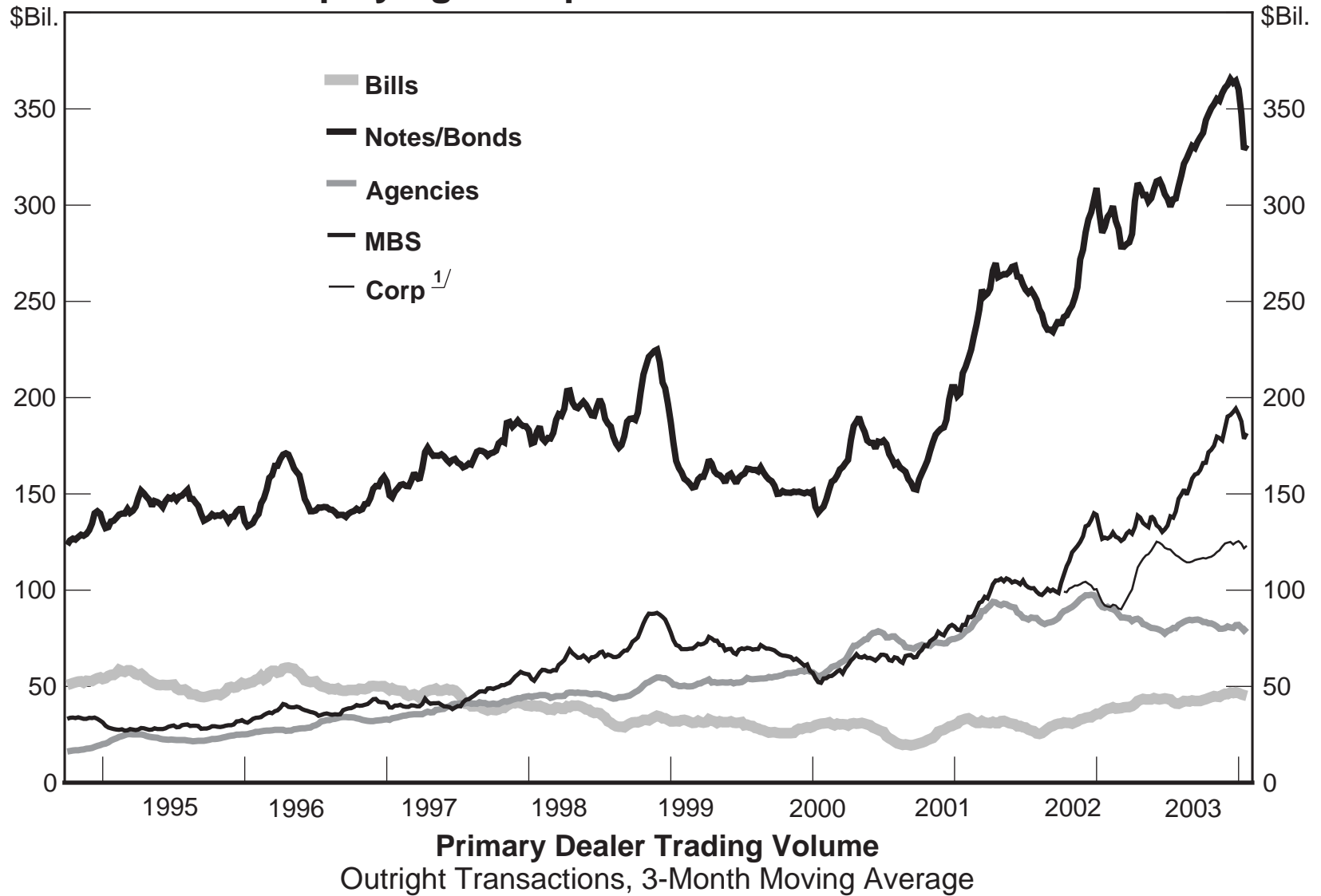


Treasury Bills as a Percentage of the Money Market ^{1/}

^{1/} Money market = Treasury bills, nonfinancial commercial paper and bankers acceptances.

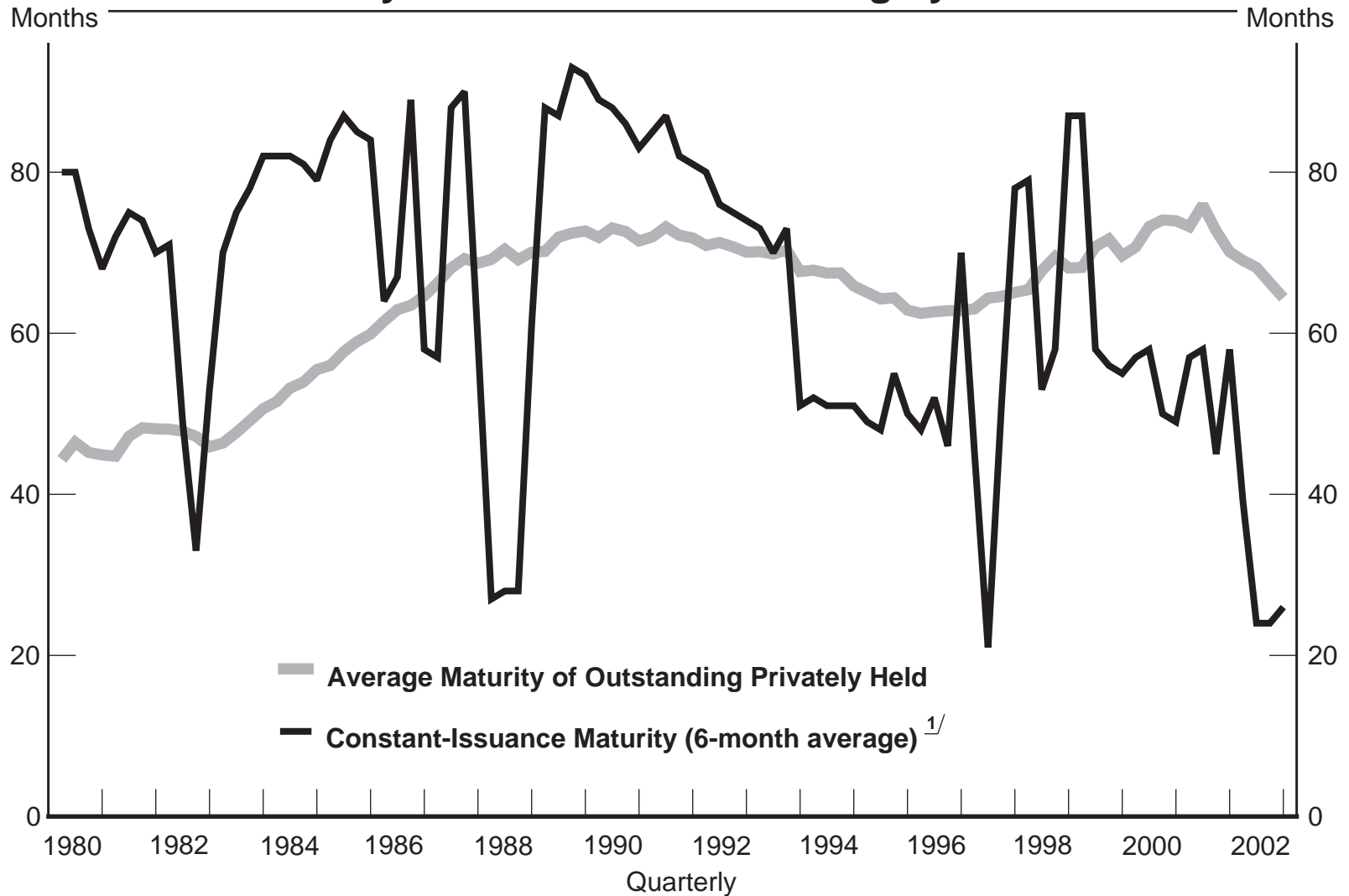
Source: U.S. Federal Reserve Board of Governors Flow of Funds statistical release Z.1.

Treasuries playing an important financial intermediation role



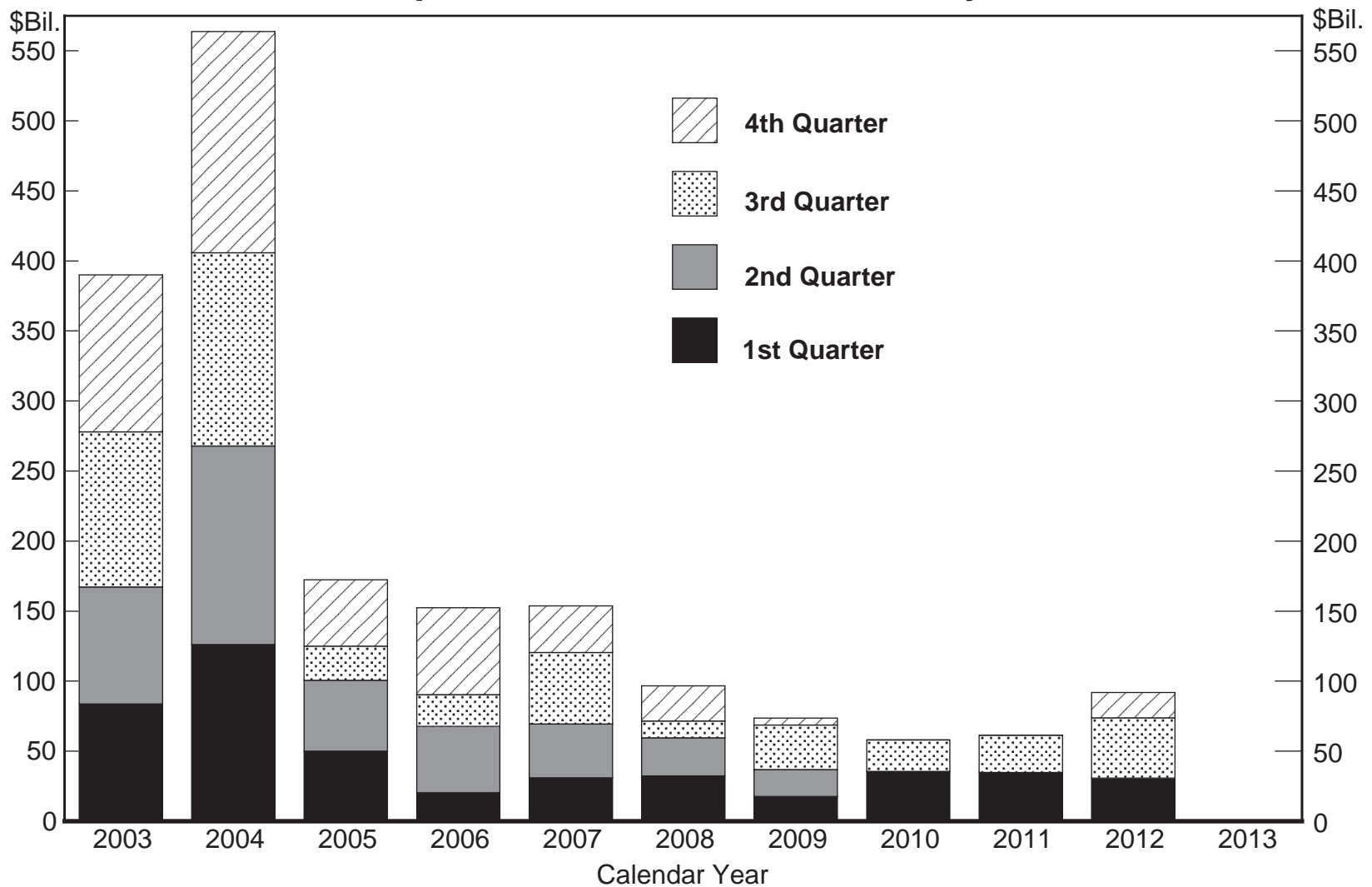
^{1/} Data available beginning September 26, 2001. Source: Federal Reserve Bank of New York.

Maturity of issuance has been highly volatile



Maturity of Marketable Debt

Current coupon issuance tilted toward 2-year notes

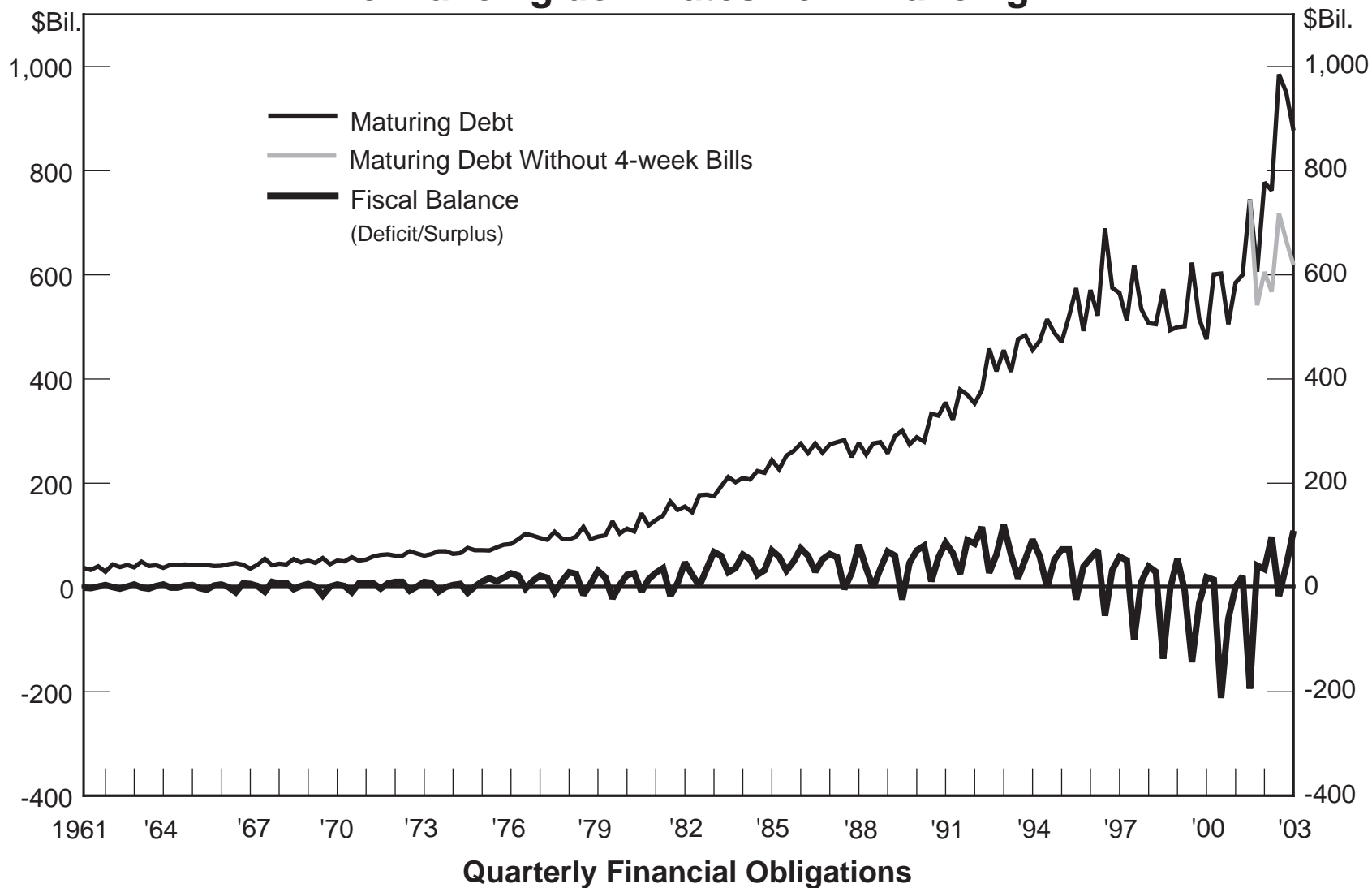


Outstanding Treasury Marketable Coupon Securities^{1/}

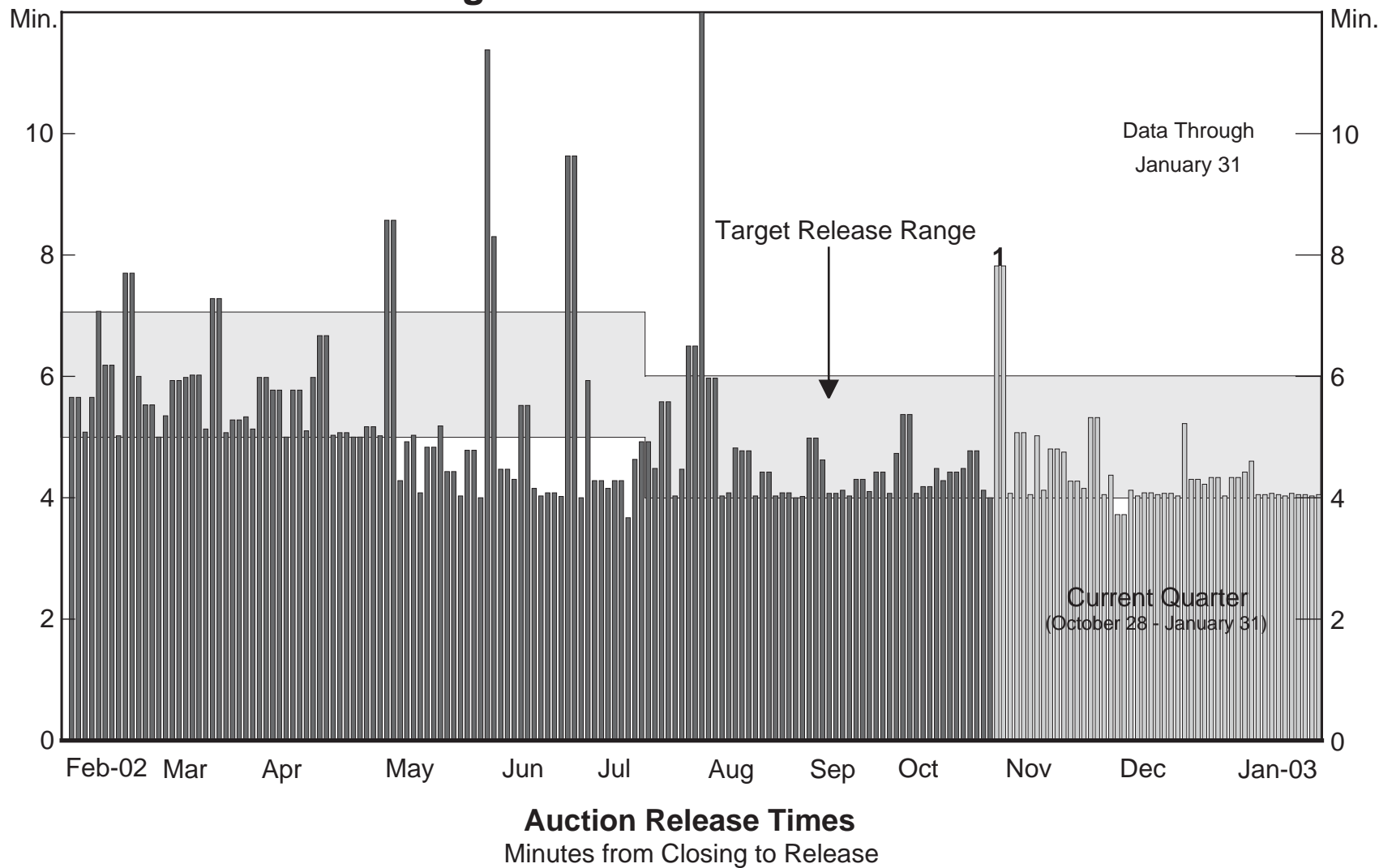
Note: Where applicable, maturities represent first call date.

^{1/} Issued or announced through January 31, 2003.

Refinancing dominates new financing



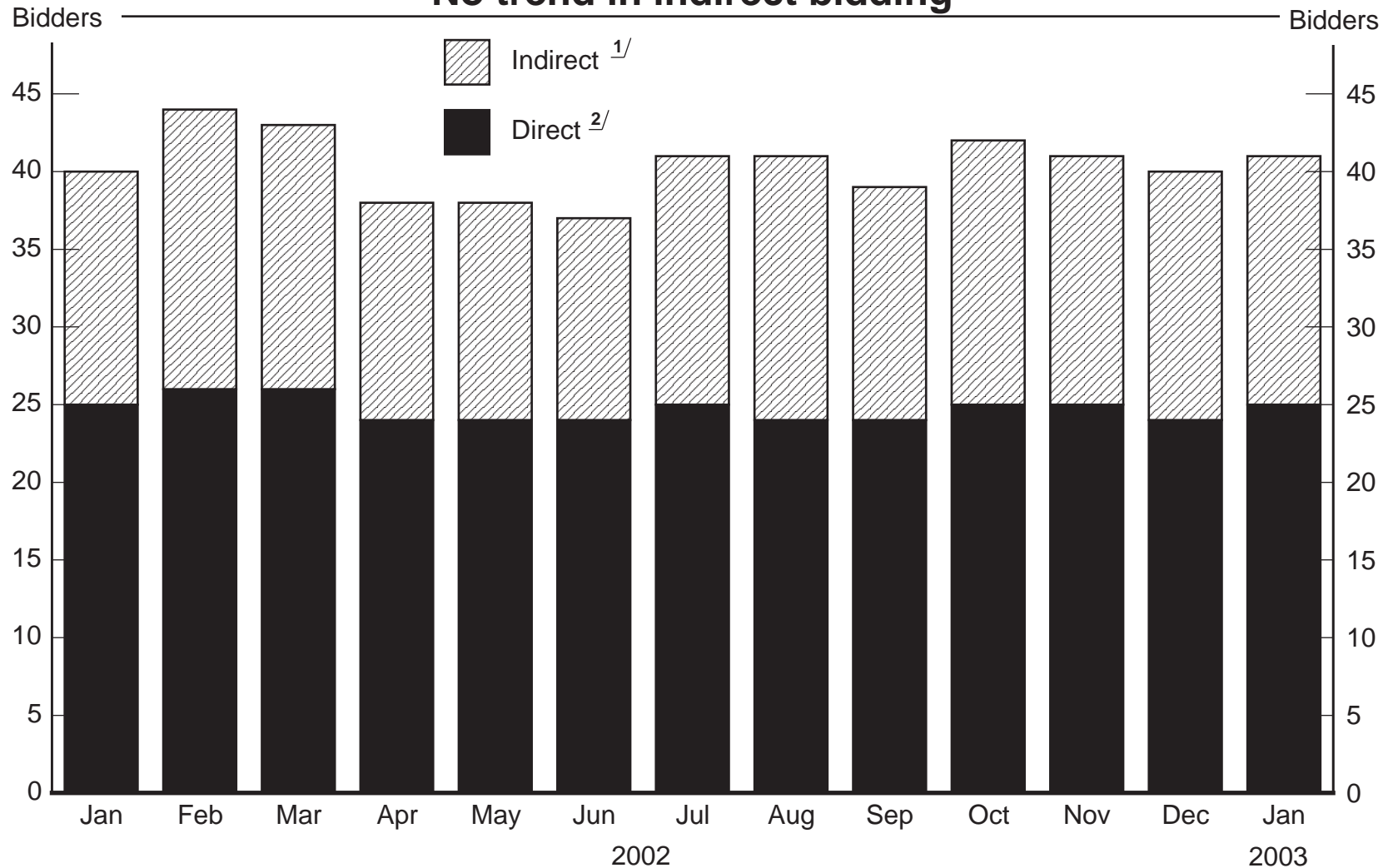
Decreasing variance of auction release times



Note: Current Quarter Exceptions:

1. 10/28/02, 13- and 26-week bills, release time:1:07:49, the press release was delayed due to an operator error. A submitter sent a timely competitive bid for the 13-week bill auction that was inadvertently rejected. Failure to notice this error resulted in not being able to close and calculate the auction timely.

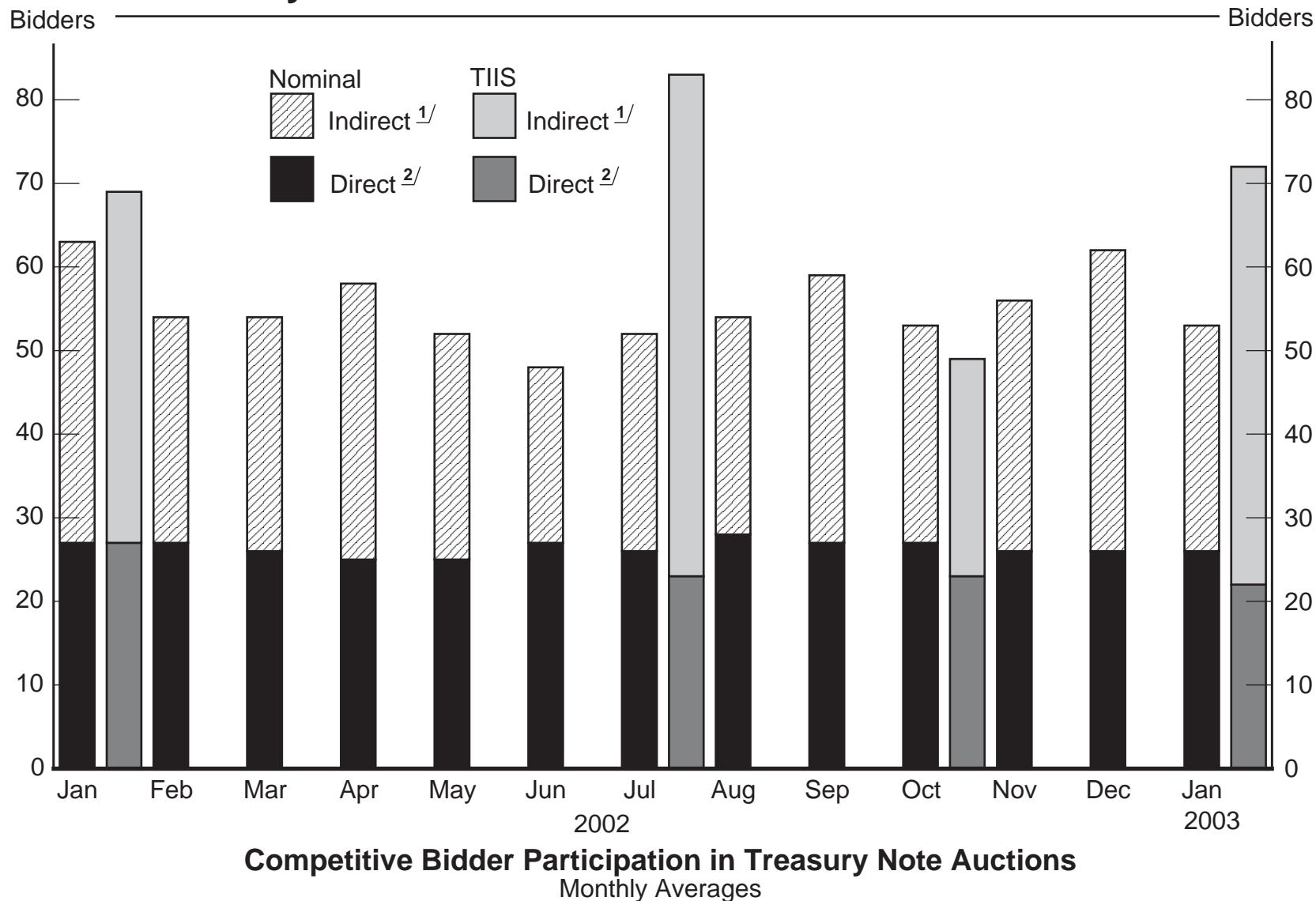
No trend in indirect bidding



^{1/} Indirect bidders submit competitive bids through a direct bidder.

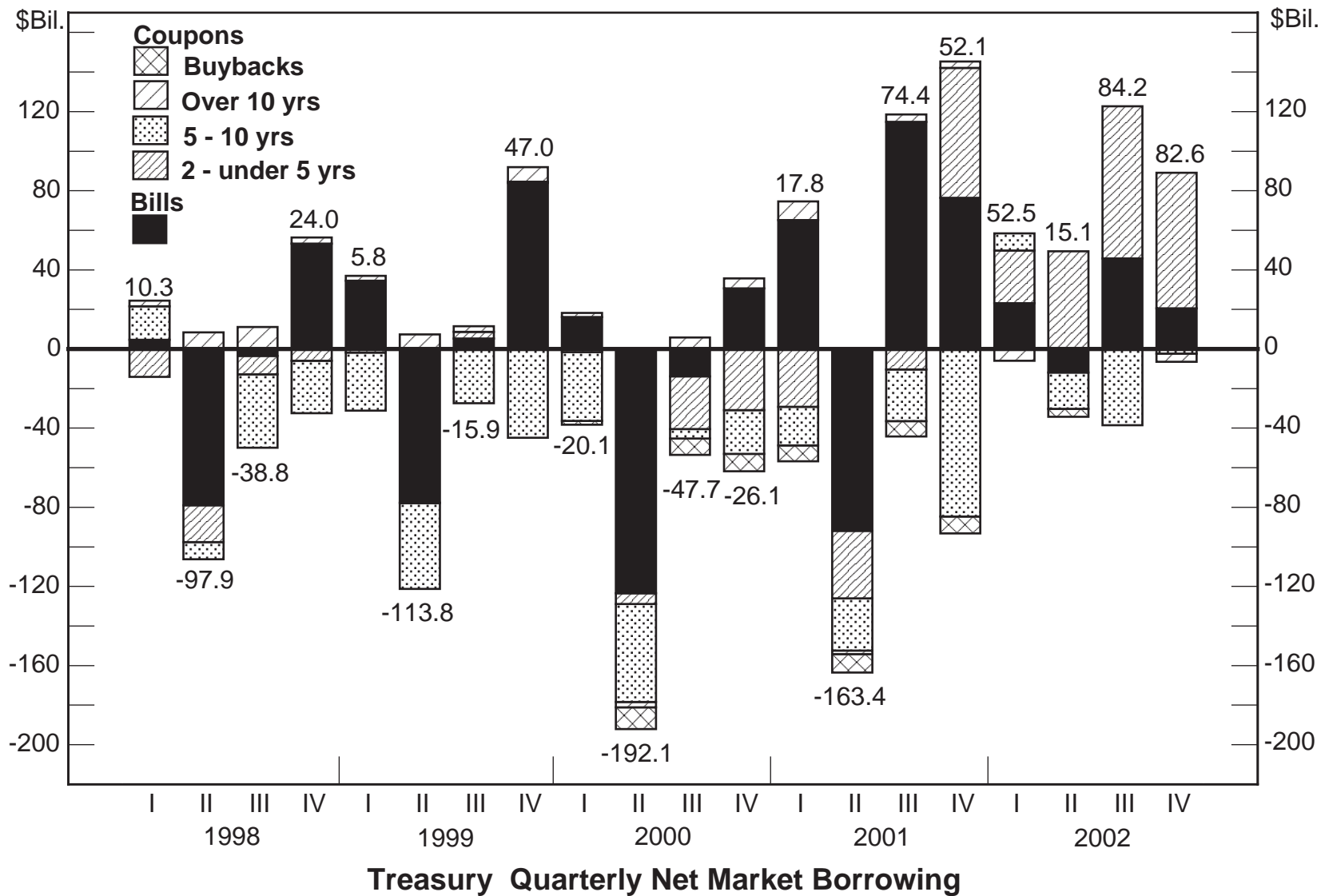
^{2/} Direct bidders submit competitive bids for their own account.

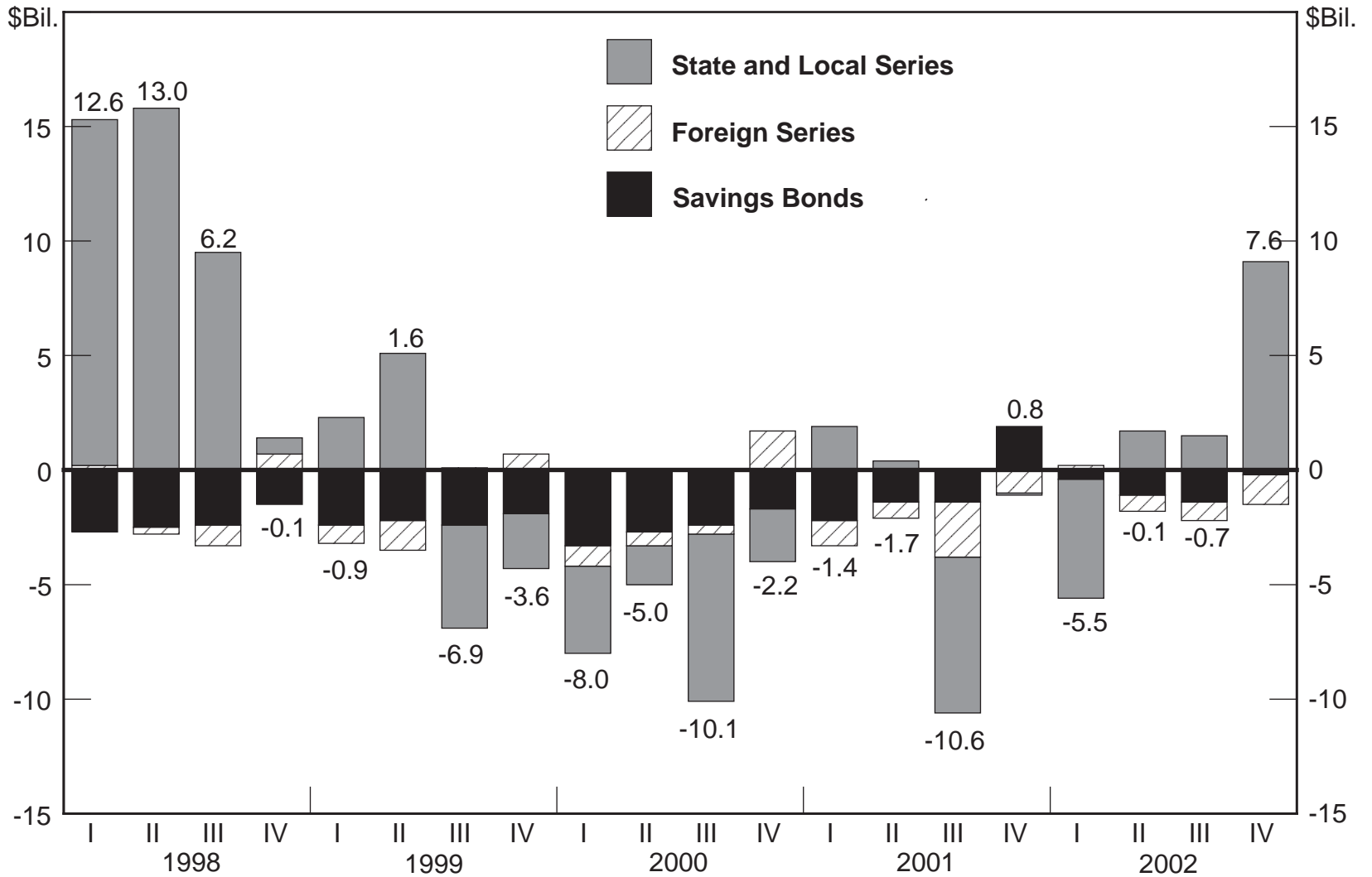
Treasury Inflation Indexed Securities attract more bidders

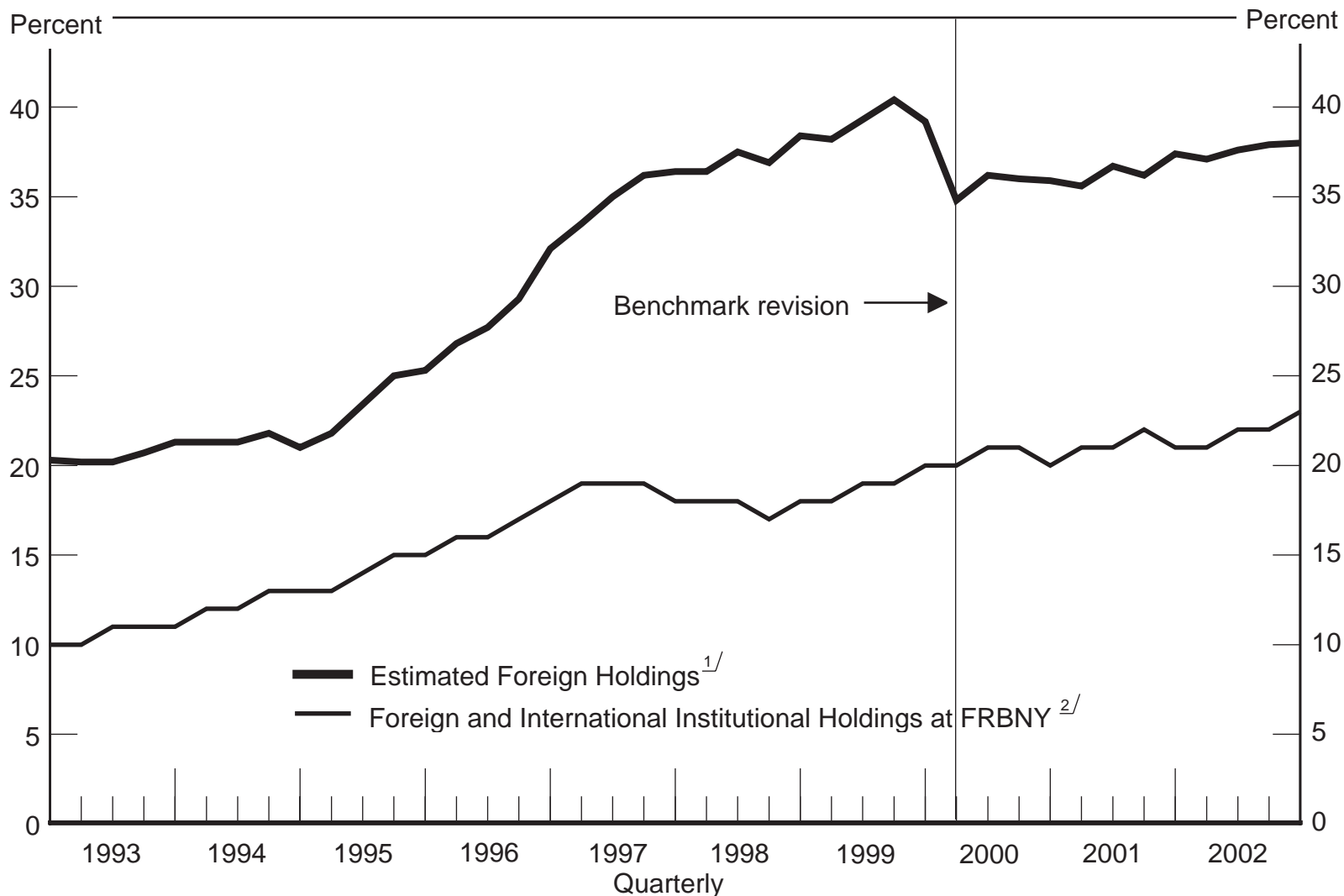


^{1/} Indirect bidders submit competitive bids through a direct bidder.

^{2/} Direct bidders submit competitive bids for their own account.







Foreign Holdings as a Percent of Total Privately Held Public Debt

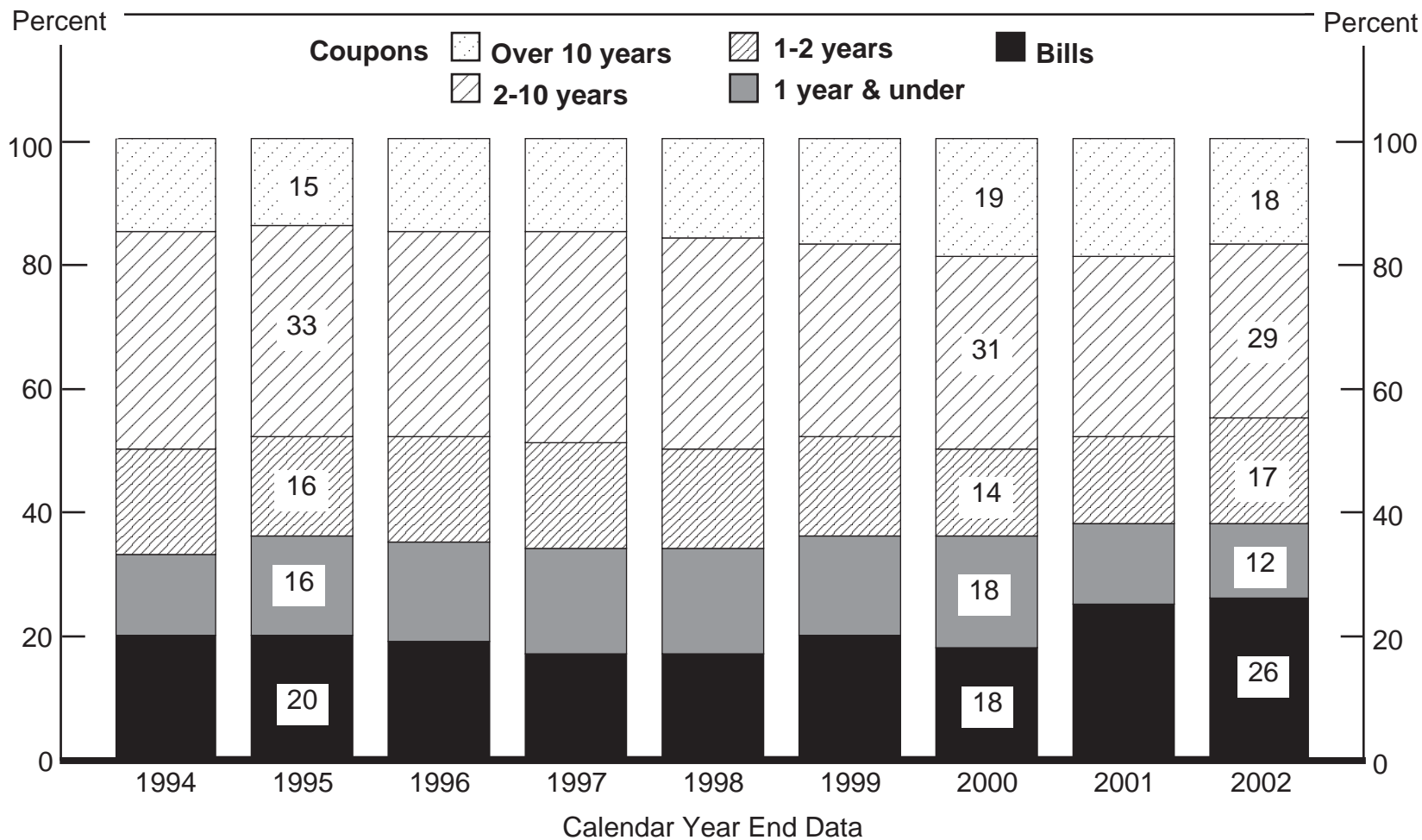
^{1/} Source: Treasury Foreign Portfolio Investment Survey and monthly data collected under the Treasury International Capital reporting system. Data through November 30, 2002. See <http://www.treas.gov/tic/index.html>.

^{2/} Source: Federal Reserve Bank of New York statistical release H4.1.

Country	November 31, 2002			December 31, 2001			December 31, 2000		
	\$ Billions	As a % of Total Foreign	As a % of Total Private	\$ Billions	As a % of Total Foreign	As a % of Total Private	\$ Billions	As a % of Total Foreign	As a % of Total Private
Japan	\$361.9	31.3%	12.0%	\$317.9	30.2%	11.3%	\$ 317.7	30.7%	11.0%
China	96.8	8.4%	3.2%	78.6	7.5%	2.8%	60.3	5.8%	2.1%
United Kingdom	69.5	6.0%	2.3%	45.0	4.3%	1.6%	50.2	4.9%	1.7%
Caribbean Banking Centers	66.9	5.8%	2.2%	45.4	4.3%	1.6%	43.8	4.2%	1.5%
Hong Kong	49.6	4.3%	1.6%	47.7	4.5%	1.7%	38.6	3.7%	1.3%
Oil Exporters	47.3	4.1%	1.6%	48.9	4.6%	1.7%	49.9	4.8%	1.7%
Korea	42.8	3.7%	1.4%	32.8	3.1%	1.2%	29.6	2.9%	1.0%
Germany	40.0	3.5%	1.3%	47.8	4.5%	1.7%	49.0	4.7%	1.7%
Taiwan	34.7	3.0%	1.1%	35.3	3.4%	1.3%	33.4	3.2%	1.2%
Mexico	27.5	2.4%	0.9%	24.8	2.4%	0.9%	27.2	2.6%	0.9%
Belgium-Luxembourg	24.3	2.1%	0.8%	22.4	2.1%	0.8%	29.6	2.9%	1.0%
Switzerland	22.1	1.9%	0.7%	18.7	1.8%	0.7%	16.4	1.6%	0.6%
Italy	18.7	1.6%	0.6%	18.9	1.8%	0.7%	20.8	2.0%	0.7%
Singapore	18.1	1.6%	0.6%	20.0	1.9%	0.7%	27.9	2.7%	1.0%
Thailand	17.5	1.5%	0.6%	15.7	1.5%	0.6%	13.8	1.3%	0.5%
France	16.3	1.4%	0.5%	20.6	2.0%	0.7%	25.1	2.4%	0.9%
Spain	15.7	1.4%	0.5%	15.6	1.5%	0.6%	19.0	1.8%	0.7%
Canada	13.2	1.1%	0.4%	15.4	1.5%	0.5%	14.2	1.4%	0.5%
Other	172.9	15.0%	5.7%	181.6	17.2%	6.4%	167.7	16.2%	5.8%
Estimated Foreign Total	\$1,155.8	100.0%	38.3%	\$1,053.1	100.0%	37.4%	\$1,034.2	100.0%	35.9%

Major Foreign Holders of Treasury Securities

Source: Treasury Foreign Portfolio Investment Survey and monthly data collected under the Treasury International Capital reporting system.



Privately Held Treasury Marketable Debt^{1/}

Percent Distribution By Maturity

^{1/} Privately held marketable debt excludes holdings of the Federal Reserve and non-interest-bearing matured debt.